

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EUR-12 FEAE-00 AGRE-00 AID-05
CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00
USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04
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FM AMEMBASSY AMMAN
TO SECSTATE WASHDC 1739

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E.O. 11652: N/A
TAGS: EINV, EMIN, JO
SUBJECT: TERMINATION OF AGRICO INVOLVEMENT IN JORDAN FERTILIZER
PLANT

1. AGRICO LAWYER SAMMY HABEYEB INFORMED EMBASSY MAY 22 THAT
AGRICO AND GOJ REACHED AGREEMENT IN LONDON LAST WEEK TERMINA-
TING AGRICO INVOLVEMENT IN PLANNED MULTI-MILLION DOLLAR
JORDANIAN FERTILIZER PLANT.

2. HABEYEB SAID THAT AGRICO TERMINATION WAS MADE GRACEFULLY
AND THAT BOTH PARTIES WERE SATISFIED WITH THE OUTCOME.
(JACK O'CONNELL WAS LEGAL COUNSEL REPRESENTING GOJ). HE SAID
AGREEMENT INVOLVES THE FOLLOWING: (A) THE GOJ WILL REIMBURSE
AGRICO \$3 MILLION OUT OF AGRICO'S TOTAL FINANCIAL INVOLVEMENT
THUS FAR OF \$3,780,000. AGRICO AGREED TO ABANDON THE CLAIM
TO THE \$780,000 WHICH RELATES LARGELY TO AGENT FEES THEY
HAD RECEIVED. IN ARGUING FOR HIS CLIENT, HABEYEB SAID HE
FELT AGRICO WAS BEING QUITE GENEROUS IN THE SETTLEMENT SINCE
THEY HAD LOST THE USE OF THE \$3 MILLION IN EQUITY DURING
THE PERIOD IT WAS ON DEPOSIT. AT ANY RATE, HE SAID
BOTH PARTIES WERE SATISFIED WITH THE FINANCIAL SETTLE-
MENT. (B) THE GOJ HAS AN OPTION TO ASK AGRICO FOR TECH-
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NICAL ADVICE AND TO BORROW AGRICO EXPERTS FOR THE FOLLOW-
ING SIX MONTHS. HABEYEB SAID AGRICO PROPOSED A LONGER
TERM TECHNICAL SERVICES AGREEMENT BUT THAT GOJ TERMS
WERE NOT ACCEPTABLE AND BOTH SIDES DECIDED NOT TO PURSUE
MATTER.

3. HABEYEB SAID MAIN POINTS OF ABOVE AGREEMENT WILL BE

SUBMITTED AS MEMO OF UNDERSTANDING IN COMING DAYS FOR APPROVAL BY GOJ COUNCIL OF MINISTERS. AGRICO REP PLANS TO TRAVEL TO JORDAN TO SIGN FINAL AGREEMENT ON JUNE 10. HABEYEB THOUGHT COUNCIL OF MINISTERS WOULD UNDOUBTEDLY APPROVE AGREEMENT.

4. AS FOR REPLACEMENT FOR AGRICO, HABEYEB HAD NO INFORMATION BUT UNDERSTANDS THAT JORDANIANS ARE INVOLVED IN LOOKING FOR OTHER ALTERNATIVES. AGRICO LAWYER EMPHASIZED HIS BELIEF THAT AGRICO/GOJ/SEPARATION AGREEMENT WAS ACHIEVED AMICABLY AND TO SATISFACTION OF BOTH SIDES.

5. COMMENT: HABEYEB POINTED OUT THAT AGRICO WISHED TO HAVE A GRACEFUL DEPARTURE BECAUSE OF POSSIBLE FUTURE INTEREST IN DOING BUSINESS WITH JORDAN. EMBASSY WILL BE ATTEMPTING TO OBTAIN ASSESSMENT BY JORDANIAN PARTICIPANTS. AT THIS POINT, HOWEVER, IT SOUNDS AS THOUGH PARTICIPATION BY AGRICO IN THIS MULTI-MILLION DOLLAR PROJECT IS NO LONGER A POSSIBILITY.
PICKERING

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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Handling Restrictions: n/a
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